

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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REPORT

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1. The following is an outline of developments in the metallurgical and chemical branches of heavy industry during the course of the first Five Year Plan. The figures given show the turnover, total yield (Gesamtergebnis), and costs for the five years of the plan and are all expressed in millions of DME.

Year	Turnover	Total Yield	Costs
1950			
Metallurgy	413.9	- 170.1	584.0
Chemicals	954.0	+ 168.8	785.2
1951			
Metallurgy	566.5	- 253.4	819.9
Chemicals	1,721.7	+ 349.2	1,372.5
1952			
Metallurgy	691.5	- 325.3	1,016.8
Chemicals	1,925.2	+ 467.8	1,457.4
1953			
Metallurgy	1,246.3	- 508.4	1,754.7
Chemicals	3,714.0	+ 737.1	2,976.9
1954			
Metallurgy	1,991.8	- 611.2	2,603.0
Chemicals	6,085.2	+ 1,224.6	4,860.6
1955 - Plan			
Metallurgy	2,423.7	- 220.7	2,644.4
Chemicals	6,980.2	+ 1,530.2	5,450.0

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The substantial increases in 1953 and 1954 were due to the incorporation of the SAG enterprises under the Ministry for Heavy Industry.

2. The 1956 East German Economic Plan specifies a 9.8% increase in production for the Ministry for Heavy Industry over the 1955 level, and a 4.4% decrease in operating costs (Selbstkosten).

3. On 30 June 1955, the balance (Abschluss) for the Ministry for Heavy Industry amounted to + 10,000,000 DME for industry and + 15,000,000 DME for trade (DHZ).

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4. The Council of Ministers recently issued a decree on the standardization (Normierung) of current assets (Umlaufmittel). In accordance with the decree, the Ministry for Heavy Industry worked out a program whereby 60,000,000 DEM would be saved in the Ministry during 1955. This program was submitted to the Ministry for Finance for approval. The Ministry for Finance and the Deutsche Notenbank returned the proposal with the instruction that 65,000,000 DEM be saved by 30 November 1955. This sum is to go to the state treasury.

5. It has been rumored that a reorganization of the Ministry for Heavy Industry is under consideration. One change held to be very probable is the removal of the production area for chemistry from the Ministry's jurisdiction and its formation into a new and independent ministry.

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